



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

December 7, 2009

W. Randall Jones, Esq.
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KY 40202

Re: Oldham County Water District
Case No. 2009-00436

Dear Mr. Jones:

The enclosed electronic mail message from Rural Development has been filed in the record of the above-referenced proceeding. It is a response to a written inquiry from the Commission regarding Rural Development's review of Oldham County Water District's application for funding.

Any questions regarding this correspondence should be directed to Gerald Wuetcher, Executive Advisor/Attorney, at (502) 564-3940, Extension 259.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Enclosure

Wuetcher, Jerry (PSC)

From: McCay, Kimberly - Lexington, KY [kimberly.mccay@ky.usda.gov]
Sent: Friday, December 04, 2009 3:07 PM
To: Wuetcher, Jerry (PSC)
Subject: Oldham County Water District

Please find the attached responses to the questions you had request on Oldham County Water District. If you have any questions, please contact Vernon Brown at vernon.brown@ky.usda.gov or 859-224-7336.

Thank you,
Kimberly McCay
CP Technician-KY
Phone: 859.224.7336
Fax: 859.224.7344

Questions for Rural Development

1. Did Oldham County Water District, when applying to Rural Development for financing of its proposed infrastructure projects, provide the studies and analyses that Louisville Water Company prepared comparing the cost of OCWD constructing and operating the proposed facilities against the alternative of OCWD purchasing water from LWC under a long-term water purchase contract?

No, it is the board of director's with the advice of their consultants to determine what is in the best interest of their customers and community.

2. Did any of the studies and analyses that OCWD presented in support of its application to Rural Development discuss the option of purchasing water from LWC under a long term contract?

No study was provided.

3. What review did Rural Development undertake to determine whether the alternative of construction the proposed infrastructure improvements was the least-cost option?

None.

4. What review did Rural Development undertake to compare the OCWD's cost of purchasing water from LWC under a long-term contract with OCWD's cost to construct and operate the proposed infrastructure improvements?

None.